UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

In re GENWORTH FINANCIAL, INC. SECURITIES LITIGATION	Master File No. 1:14-cv-02392-AKH
	CLASS ACTION
This Document Relates To: ALL ACTIONS.	CLASS REPRESENTATIVES' MEMORANDUM OF LAW IN SUPPORT OF UNOPPOSED MOTION FOR PRELIMINARY APPROVAL OF SETTLEMENT

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I. INTRODUCTION

Class Representatives, the City of Hialeah Employees' Retirement System and New Bedford Contributory Retirement System (collectively, "Class Representatives" or "Lead Plaintiffs"), on behalf of themselves and the certified Class, respectfully submit this memorandum of law in support of their unopposed motion for preliminary approval of the proposed settlement reached in this Litigation (the "Settlement"). The proposed Settlement provides a recovery of $20,000,000 in cash to resolve this securities class action against defendants Genworth Financial, Inc. (" Genworth " or the "Company"), and Michael D. Fraizer ("Fraizer"), and Martin P. Klein ("Klein") (collectively, the "Individual Defendants," and, together with Genworth, the "Defendants"). The Settlement is contained in the Stipulation of Settlement entered into by all Parties dated as of June 15, 2017 (the "Stipulation"),[1] which is submitted herewith as Exhibit 1 to the Declaration of Jonathan Gardner.

By this motion, the Parties seek entry of an order: (1) granting preliminary approval of the proposed Settlement; (2) approving the form and manner of giving notice of the proposed Settlement to the Class; and (3) setting a hearing date for final approval of the Settlement, the Plan of Allocation of the Net Settlement Fund, Class Counsel's application for attorneys' fees and expenses (the "Settlement Hearing") and a schedule for various deadlines relevant thereto ("Preliminary Approval Order").[2] As explained below, Class Representatives submit that the proposed Settlement is a very fair result for the Class, which represents a recovery of approximately 9% to 22% of the maximum damages estimated by Class Representatives' damages expert, assuming that liability and loss causation were proven. Defendants of course vigorously dispute both liability and that any damages were suffered by the Class. Overall, the Parties respectfully submit that the Settlement is fair, reasonable, and adequate under the governing standards in this Circuit, and that it warrants the approval of this Court.

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[1] Unless otherwise defined herein, all capitalized terms have the meanings ascribed to them in the Stipulation.

[2] Defendants join Class Representatives in the Parties' Motion for Preliminary Approval of the Settlement. Defendants do not join in this Memorandum of Law in support thereof.

II. SUMMARY OF THE LITIGATION

This Litigation arises out of allegations that, during the Class Period (November 3, 2011 through and including April 17, 2012), Defendants made materially false statements and omitted material information regarding: (i) the financial stability of Genworth's Australian mortgage insurance ("MI") unit; (ii) the adequacy of loss reserves in the Australian MI unit due to increased claims of a large size; (iii) loss pressures from flooding in Queensland, Australia in early 2011; and (iv) whether the Australian IPO would proceed as planned in the second quarter of 2012, all allegedly in violation of §§10(b) and 20(a) of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder.

This case was vigorously litigated by the Parties, with the Defendants moving to dismiss two complaints, seeking reconsideration of the denial of their second motion, and the Lead Plaintiffs seeking and achieving certification of the Class. The Parties engaged in extensive fact discovery for almost two years. During this time, the Parties subpoenaed more than a dozen parties and third parties, resulting in the production of approximately 2.2 million pages of documents, which were analyzed by Plaintiffs' Counsel. Thereafter, the Parties took nine depositions (within the United States and Australia), including depositions of the Individual Defendants. The Parties also engaged consulting expert witnesses, who provided opinions relevant to the damages in the case and the mortgage industry. There was no governmental investigation to aid the prosecution of the claims, and substantially all of the relevant events took place in Australia.

During the course of the Litigation, the Parties explored the possibility of a negotiated resolution of the Litigation through numerous in person discussions, telephonic conferences, and written correspondence. After an in-person settlement meeting, these efforts culminated with the

Parties agreeing to settle the Litigation for $20,000,000.00, subject to the negotiation of the terms of a stipulation of settlement and approval by the Court.

III. PRELIMINARY APPROVAL OF THE SETTLEMENT IS WARRANTED

A. Terms of the Settlement

The Settlement set forth in the Stipulation resolves the claims of the certified Class against Defendants. The Stipulation provides that Defendants will pay or cause to be paid $20 million in cash ("Settlement Amount"), inclusive of attorneys' fees and costs, within twenty-one (21) calendar days of the entry of the Preliminary Approval Order. The Settlement Amount will be deposited into an escrow account and the funds will be invested in United States Treasury Securities. Stipulation, ¶¶8-11. Interest on the Settlement Amount will accrue for the benefit of the Class. *Id.*, ¶11.

In exchange for payment of the Settlement Amount, the Litigation will be dismissed and the Parties will exchange releases. (Stipulation, ¶¶4-6).

The recovery of individual Class Members will depend on variables, including the number of shares of Genworth common stock the Class Member purchased and when such purchases were made. In the event that 100% of the eligible common stock of Genworth purchased by Class Members participate in the Settlement, the estimated average distribution per share of Genworth common stock will be approximately $0.14 before deduction of any Court-approved fees and expenses and $0.09 after the deduction of the maximum amount of attorneys' fees and expenses that may be requested.

The Notice of Pendency and of Proposed Class Action Settlement and Motion for Attorneys' Fees and Expenses ("Notice") explains the terms of the Settlement, including that the Net Settlement Fund will be distributed to eligible Class Members who submit valid and timely Proof of Claim and Release forms ("Proof of Claim") pursuant to the proposed Plan of Allocation included in the Notice, which is subject to this Court's approval; there will be no reversion to Defendants. The

Notice also informs Class Members of, among other information: (i) Class Counsel's application for attorneys' fees and expenses; (ii) the procedures for objecting to the Settlement, the Plan of Allocation, or the request for attorneys' fees and expenses; (iii) the procedures for seeking exclusion from the Class; and (iv) the date, time and location of the Settlement Hearing.

If the Court grants preliminary approval, the Claims Administrator will mail the Notice and Proof of Claim (*see* Exhibits A-1 and A-2 to the Stipulation and the proposed Preliminary Approval Order) to Class Members who can be identified with reasonable effort. Additionally, the Claims Administrator will cause the Summary Notice (*see* Exhibit A-3 to the Stipulation and the Proposed Preliminary Approval Order) to be published once in *The Wall Street Journal* and once over a national newswire service. The Claims Administrator will also establish a website dedicated to the Settlement at www.Genworth2017SecuritiesSettlement.com. The website will enable interested persons to download copies of the Notice, Proof of Claim, and all substantive filings that have been, and will be, publicly docketed in the Litigation.

The Parties respectfully submit that the proposed Settlement provides a fair recovery in a case where Class Representatives and Class Counsel were in a strong position to judge the strengths and weaknesses of their case. The $20 million recovery is well within the range of what would be determined to be fair, reasonable, and adequate at the final approval stage. Accordingly, Class Representatives submit that an analysis of the *Grinnell* factors (*Detroit v. Grinnell Corp.*, 495 F.2d 448 (2d Cir. 1974)), set forth below, which apply to a court's determination of final approval of a settlement, also supports preliminary approval of this Settlement.[3]

[3] *See*, *e.g.*, *In re Warner Chilcott Ltd. Sec. Litig.*, No. 06 Civ. 11515 (WHP), 2008 WL 5110904, at *2 (S.D.N.Y. Nov. 20, 2008) ("Although a complete analysis of [the *Grinnell*] factors is required for final approval, at the preliminary approval stage, 'the Court need only find that the proposed settlement fits "within the range of possible approval"' to proceed."); *Platinum*, 2014 WL 3500655, at *12. ("At preliminary approval, it is not necessary to exhaustively consider the factors applicable

B. The Standards Governing Preliminary Approval

Once a proposed settlement is reached, "a court must determine whether the terms of the proposed settlement warrant preliminary approval. In other words, the court must make 'a preliminary evaluation' as to whether the settlement is fair, reasonable and adequate." *In re Currency Conversion Fee Antitrust Litig.*, MDL No. 1409, 2006 U.S. Dist. LEXIS 81440, at *13 (S.D.N.Y. Nov. 8, 2006); *see also Wal-Mart Stores, Inc. v. Visa U.S.A. Inc.*, 396 F.3d 96, 116 (2d Cir. 2005); *In re NASDAQ Mkt.-Makers Antitrust Litig.*, 176 F.R.D. 99, 102 (S.D.N.Y. 1997) ("*NASDAQ*") ("Preliminary approval of a proposed settlement is the first in a two-step process required before a class action may be settled. . . . In considering preliminary approval, courts make a preliminary evaluation of the fairness of the settlement, prior to notice.").

As is familiar to this Court, where the proposed settlement appears to be the product of serious, informed, non-collusive negotiations, has no obvious deficiencies, and falls within the range of approval, preliminary approval is generally granted. *See NASDAQ*, 176 F.R.D. at 102 (citing *Manual for Complex Litigation* §30.41 (3d ed. 1995)); *In re Platinum & Palladium Commodities Litig.*, No. 10 cv 3617, 2014 U.S. Dist. LEXIS 96457, at *36 (S.D.N.Y. July 15, 2014). ("Preliminary approval, at issue here, 'is at most a determination that there is what might be termed "probable cause" to submit the proposal to class members and hold a full-scale hearing as to its fairness.' A district court should preliminarily approve a proposed settlement which "appears to be the product of serious, informed non-collusive negotiations, has no obvious deficiencies, does not improperly grant preferential treatment to class representatives or segments of the class and falls within the reasonable range of approval.'").

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to final approval"). Citations and footnotes are omitted and emphasis is added unless otherwise noted.

"Once preliminary approval is bestowed, the second step of the process ensues; notice is given to the class members of a hearing, at which time class members and the settling parties may be heard with respect to final court approval." *NASDAQ*, 176 F.R.D. at 102. "Preliminary approval is merely the first step in a multi-step process in which the . . . Settlement will be scrutinized by both the court and class members." *Allen v. Dairy Farmers of Am. Inc.* No. 5:09-cv-230, 2011 WL 1706778, at *2 (D. Vt. May 4, 2011). "It deprives no party or non-party of any procedural or substantive rights, and provides a mechanism through which class members who object to the . . . Settlement can voice those objections." *Id*.

A strong initial presumption of fairness attaches to the proposed settlement if, as here, the settlement is reached after substantial merits based discovery by experienced counsel after arm's-length negotiations. *See Wal-Mart Stores, Inc.,* 396 F.3d at 116. ("A 'presumption of fairness, adequacy, and reasonableness may attach to a class settlement reached in arm's-length negotiations between experienced, capable counsel after meaningful discovery.'"); *see also In re IMAX Sec. Litig*., 283 F.R.D. 178, 189 (S.D.N.Y. 2012) (finding a "presumption of correctness attache[d]" to a class - action settlement where parties were represented by "able counsel experienced in class action and securities litigation" who conducted "substantial merits-related discovery" and conducted arms'-length negotiations).

C. Preliminary Approval of the Settlement Should Be Granted as the *Grinnell* Factors Will Be Met at the Final Approval Stage

The Second Circuit has identified nine factors that courts should consider in deciding whether to grant final approval of a class action settlement:

> (1) the complexity, expense and likely duration of the litigation; (2) the reaction of the class to the settlement; (3) the stage of the proceedings and the amount of discovery completed; (4) the risks of establishing liability; (5) the risks of establishing damages; (6) the risks of maintaining the class action through the trial; (7) the ability of the defendants to withstand a greater judgment; (8) the range of reasonableness of the settlement fund in light of the best possible recovery; [and] (9)

> the range of reasonableness of the settlement fund to a possible recovery in light of all the attendant risks of litigation.

Grinnell, 495 F.2d at 463. As discussed below, Class Representatives and Class Counsel believe that the proposed Settlement will satisfy each of the applicable *Grinnell* factors, thus warranting its preliminary approval.

1. The Complexity, Expense, and Likely Duration of the Litigation Supports Approval of the Settlement

Courts have consistently recognized the complexity, expense, and likely duration of the litigation are core factors for evaluating the reasonableness of a settlement. Securities class actions like this one are by their nature complicated, and district courts in this Circuit have long recognized that "[a]s a general rule, securities class actions are 'notably difficult and notoriously uncertain' to litigate." *In re Bear Stearns Co. Sec. Derivative and ERISA Litig.*, 909 F. Supp. 2d 259, 266 (S.D.N.Y. 2012); *see also In re Alloy, Inc., Sec. Litig.*, No. 03 Civ. 1597 (WHP), 2004 WL 2750089, at *2 (S.D.N.Y. Dec. 2, 2004) (approving settlement, noting action involved complex securities fraud issues "that were likely to be litigated aggressively, at substantial expense to all parties").

This case is no exception. Filed on April 4, 2014, Class Representatives advanced numerous complex legal and factual issues under the federal securities laws, requiring extensive motion practice addressed to the merits of the claims and certification of the class, fact and expert discovery (including the litigation of discovery disputes), and deposition testimony. Indeed, discovery to date was substantial, involving the production of more than 2 million pages of documents and nine depositions (within the United States and Australia), including depositions of the Individual Defendants. Given Genworth's operations in Australia, many of the potential trial witnesses would have been beyond the subpoena power of the Court and likely would not have appeared in person. The trial would have lasted several weeks and been very complicated for jurors. Appeals would inevitably follow, likely taking years to complete, regardless of whether there were a favorable outcome for the Class at trial. Accordingly, this factor weighs in favor of preliminary approval of the proposed Settlement.

2. The Reaction of the Class to the Settlement

Class Representatives have participated throughout the prosecution of the case and were actively involved in the decision to enter into the Settlement. Notice regarding the Settlement has not yet been mailed or otherwise distributed. In the event any objections are received after notice is disseminated, they will be addressed by Class Counsel in connection with their motion for final approval of the Settlement.

3. The Stage of the Proceedings

The volume and substance of Class Representatives' and Class Counsel's knowledge of the merits and potential weaknesses of the claims alleged are more than adequate to support the Settlement. The accumulation of information resulting from both discovery and consultation with experts permitted Class Representatives and Class Counsel to be well-informed about the strengths and weaknesses of their case and to engage in effective settlement discussions with Defendants. *See Bear Stearns*, 909 F. Supp. 2d at 267 ("'the question is whether the parties had adequate information about their claims such that their counsel can intelligently evaluate the merits of plaintiff's claims, the strengths of the defenses asserted by defendants, and the value of plaintiffs' causes of action for purposes of settlement'"). This factor supports preliminary approval of the Settlement.

4. The Risk of Establishing Liability and Damages

In assessing the Settlement, the Court should balance the benefits afforded the Class, including the immediacy and certainty of a significant recovery, against the risk of trial. *See Grinnell*, 495 F.2d at 463. Securities class actions are notoriously difficult to prosecute. *See Alloy*, 2004 WL 2750089, at *2 (finding that issues present in securities action presented significant hurdles to proving liability).

While Class Representatives believe that their claims would be borne out by the evidence, they also recognize that they faced a difficult road ahead. Defendants have articulated defenses to the claims that may have been accepted by the jury. Among other things, Defendants have denied that they made any false statements or omissions, and continue to maintain that Genworth's disclosures complied with all applicable laws and regulations. At trial, Defendants would likely have taken the position, also supported by expert testimony, that the Class Period was much shorter than alleged by Class Representatives and that the drop in Genworth's stock price on April 18, 2012 could not be attributed to the alleged fraud -- therefore Class Members suffered no legal damages at all. Defendants would likely have pointed to the fact that the Company's MI loss reserves were deemed adequate by the Company's actuary and auditor, that the Company increased its loss reserves throughout the Class Period, and that the Company's Class Period risk disclosures raised the possibility that the IPO could be delayed due to changes in market or Company conditions. There was no government investigation that assisted the Class Representatives' investigation and there were substantial evidentiary challenges to linking Defendants to the conduct of the Company's MI unit in Australia, particularly with respect to proving scienter. There was a significant risk that a jury could have been sympathetic towards Genworth, a U.S. holding company, given that the events and actions underlying the claims were largely concentrated in Australia by its subsidiary.

In addition, although Class Representatives were confident that they would have been able to support their claims with qualified and persuasive expert testimony, jury reactions to competing experts are inherently difficult to predict, and Defendants would have presented highly experienced experts to support their various defenses to liability, the length of the class period, loss causation and damages.

Accordingly, in the absence of a settlement, there was a very real risk that the Class would have recovered an amount significantly less than the total Settlement Amount – or even nothing at all. Thus, the payment of $20 million by or on behalf of Defendants, particularly when viewed in the context of the risks and the uncertainties of trial, weighs in favor of preliminary approval of the Settlement.

5. The Risks of Maintaining the Class Action Through Trial

While the Class was previously certified by the Court (ECF No. 118), certification can be reviewed and modified at any time. Defendants vigorously opposed the certification of a class and opposed the class definition. Thus, there is always a risk that this Litigation, or particular claims, might not be maintained as a class through trial. *Frank v. Eastman Kodak Co.*, 228 F.R.D. 174, 186 (W.D.N.Y. 2005) (noting that "[w]hile plaintiffs might indeed prevail [on a motion for class certification], the risk that the case might be not certified is not illusory"). Thus, this factor weighs in favor of preliminary approval of the Settlement.

6. The Ability of Defendants to Withstand a Greater Judgment

A court may also consider a defendant's ability to withstand a judgment greater than that secured by settlement, although it is not generally one of the determining factors. *See In re Warfarin Sodium Antitrust Litig.*, 391 F.3d 516, 538 (3d Cir. 2004) (affirming district court's finding that defendant's ability to pay more was irrelevant to assessment of settlement). Courts generally do not find the ability of a defendant to withstand a greater judgment to be an impediment to settlement when the other factors favor the settlement, and in fact, the ability of defendants to pay more money does not render a settlement unreasonable. *See D'Amato v. Deutsche Bank*, 236 F.3d 78, 86 (2d Cir. 2001).

Here, however, it is notable that the Company had no applicable Directors' & Officers' insurance coverage available to fund the Settlement. Similarly, there would be no insurance to cover a judgment for the Class at trial.

7. The Reasonableness of the Settlement in Light of the Best Possible Recovery and the Attendant Risks of Litigation

The adequacy of the amount offered in settlement must be judged "not in comparison with the possible recovery in the best of all possible worlds, but rather in light of the strengths and weaknesses of plaintiffs' case." *In re "Agent Orange" Prod. Liab. Litig.*, 597 F. Supp. 740, 762 (E.D.N.Y. 1984), *aff'd*, 818 F.2d 145 (2d Cir. 1987). The Court need only determine whether the Settlement falls within a "range of reasonableness" – a range which "recognizes the uncertainties of law and fact in any particular case and the concomitant risks and costs necessarily inherent in taking any litigation to completion." *Newman v. Stein*, 464 F.2d 689, 693 (2d Cir. 1972); *see also In re Global Crossing Sec and ERISA Litig.*, 225 F.R.D. 436, 461 (S.D.N.Y. 2004) (noting that "the certainty of [a] settlement amount has to be judged in [the] context of the legal and practical obstacles to obtaining a large recovery"); *In re Indep. Energy Holdings PLC Sec. Litig.*, No. 00 Civ. 6689 (SAS), 2003 U.S. Dist. LEXIS 17090, at **12-13 (S.D.N.Y. Sept. 29, 2003) (noting few cases tried before a jury result in full amount of damages claimed). In addition, in considering the reasonableness of the Settlement, the Court should consider that the Settlement provides for payment to the Class now, rather than a speculative payment many years down the road. *See In re AOL Time Warner Inc.*, No. MDL 1500, 2006 U.S. Dist. LEXIS 17588, at *44 (S.D.N.Y. Apr. 6, 2006) (where settlement fund is in escrow earning interest, "the benefit of the Settlement will . . . be realized far earlier than a hypothetical post-trial recovery").

The Settlement here represents a fair result under the circumstances considering that a possible recovery at trial was zero. At trial, Class Representatives would have likely presented expert testimony that Genworth's April 17, 2012 announcement of the delay of the minority IPO caused a residual decline of $1.70 per share. If plaintiffs won on their claims in their entirety, and the jury accepted all of Class Representatives' damages expert's testimony and other damages evidence, Class Members could have recovered up to $1.70 for every share that they purchased during the Class Period and held after April 17, 2012.

However, at trial, Defendants would have vigorously contested loss causation and damages. Defendants likely would have presented expert evidence to support the contention that the alleged drop in Genworth's stock price on April 18, 2012 was not attributable to any wrongdoing, instead it was a reaction to newly learned financial information -- therefore Class Members suffered no legal damages at all.

Moreover, Defendants would likely have taken the position, also supported by expert testimony, that any Class Period (assuming there was a certified class) should be much shorter than that alleged by Class Representatives, as it depends upon the point in time when Class Representatives can successfully prove that Defendants made materially misleading misrepresentations with the requisite scienter. The length of the Class Period has a significant impact on damages.

According to analyses prepared by Class Representatives' damages expert, aggregate damages during the certified Class Period (November 3, 2011 through April 17, 2012), assuming liability and loss causation were established, would total approximately $219 million. However, establishing liability would have required, among other things, proving that Genworth senior management in the US was aware during the second half of 2011 that there was an impending claims spike in 2012 and Defendants' failure to adequately and timely factor in the impact of this claims spike on, among other things, the achievability of the IPO. If the Class Period instead began on February 3, 2012 or on March 29, 2012, when Class Representatives believe they have stronger arguments concerning scienter, damages would be approximately $170 million and $90 million, respectively. Accordingly, the Settlement represents a recovery of approximately 9% to 22% of the maximum damages estimated by Class Representatives' damages expert.

Such estimated recoveries fall squarely within the range of reasonableness and, even at the high end of the damages range, are more than common recoveries. *See, e.g.*, *In re Merrill Lynch & Co. Research Reports Sec. Litig.*, No. 02 MDL 1484 (JFK), 2007 WL 313474, at *10 (S.D.N.Y. Feb. 1, 2007) (court approved $40.3 million settlement representing approximately 6.25% of estimated damages and noting that this is at the "higher end of the range of reasonableness of recovery in class actions securities litigations"); *In re Merrill Lynch & Co. Research Reports Sec. Litig*., 246 F.R.D. 156, 167 (S.D.N.Y. 2007) (approving $125 million settlement that was "between approximately 3% and 7% of estimated damages [and] within the range of reasonableness for recovery in the settlement of large securities class actions").

As one district court stated when approving one of the settlements in the *Enron ERISA* litigation: "The settlement at this point would save great expense and would give the Plaintiffs hard cash, a bird in the hand." *In re Enron Corp. Sec. & ERISA Derivative Litig*, 228 F.R.D. 541, 566 (S.D. Tex. 2005). Accordingly, this factor weighs in favor of the Court granting preliminary approval.

IV. THE PROPOSED FORM AND METHOD OF CLASS NOTICE AND THE FORM OF THE PROOF OF CLAIM ARE APPROPRIATE

A. The Scope of the Notice Program Is Adequate

When measuring the adequacy of a settlement notice in a class action under either the Due Process Clause or the Federal Rules, a court should look to the notice program's reasonableness. *Merrill Lynch.*, 2007 U.S. Dist. LEXIS 9450, at *26. It is clearly established that "[n]otice need not be perfect, but need be only the best notice practicable under the circumstances, and each and every class member need not receive actual notice, so long as class counsel acted reasonably in choosing the means likely to inform potential class members." *Id*. at *27. In fact, notice programs such as the one proposed by Class Counsel have been approved as adequate under the Due Process Clause and Rule 23 in a multitude of class action settlements. *See, e.g.*, *In re Adelphia Commc'ns Corp. Sec. & Derivatives Litig.*, 271 F. App'x. 41, 44 (2d Cir. 2008) (notice satisfied due process where "notice of the settlement was reasonably provided through individually mailed notice to all known and reasonably identified class members, publication in several newspapers, and entered on the district court's docket sheet"); *Wal-Mart Stores, Inc*., 396 F.3d at 106 (affirming reasonableness of notice; notice mailed to class members and published in widely-distributed publications); *In re Luxottica Grp. S.p.A., Sec. Litig.*, No. CV 01-3285 (JBW)(MDG), 2005 WL 3046686, at *2 (E.D.N.Y. Nov. 15, 2005) (approving notice program, consisting of broker mailing and summary notice publication in *The Wall Street Journal* and *The New York Times*).

Here, the Parties propose disseminating notice by mail, through publication, and by posting on the dedicated website for the Settlement. As outlined in the agreed-upon form of the proposed Preliminary Approval Order (Exhibit A to the Stipulation and submitted herewith), the Claims Administrator, Gilardi & Co. LLC, will notify Class Members of the Settlement by mailing the Notice and Proof of Claim to all Class Members who can be identified with reasonable effort, including through the use of Genworth's transfer agent's security list of record holders, as set forth in the proposed Preliminary Approval Order, ¶¶5-6. In addition to mailing the Notice and Proof of Claim, the Claims Administrator will provide for the publication of a Summary Notice in *The Wall Street Journal* and once over a national newswire service. *Id*., ¶7. The Notice and Proof of Claim will also be posted on the website at www.Genworth2017SecuritiesSettlement.com. *Id*., ¶6.

Similar to other notice programs, the form of notice to the Class satisfies the requirements of due process, Rule 23, and the PSLRA, 15 U.S.C. §78u-4(a)(7). The content of a notice is generally found to be reasonable if "the average class member understands the terms of the proposed settlement and the options provided to class members thereunder." *In re Stock Exchs. Options Trading Antitrust Litig.*, No. 99 Civ. 0962 (RCC), 2006 WL 3498590, at * 6 (S.D.N.Y. Dec. 4, 2006); *Weinberger v. Kendrick*, 698 F.2d 61, 70 (2d Cir. 1982) (the notice must "'fairly apprise the prospective members of the class of the terms of the proposed settlement and of the options that are open to them in connection with [the] proceedings'").

The proposed Notice advises Class Members of the essential terms of this Settlement, the Plan of Allocation, and information regarding Class Counsel's motion for attorneys' fees and expenses. The Notice also will provide specifics on the date, time and place of the Settlement Hearing and set forth the procedures for objecting to the Settlement, the proposed Plan of Allocation, and the motion for attorneys' fees and expenses; and the procedures for requesting exclusion from the Class. The Notice also provides recipients with the contact information for the Claims Administrator, Gilardi & Co. LLC, and Class Counsel. In addition, the information is provided in a format that is accessible to the reader. Finally, the proposed notice format is the same or similar to formats that have been approved by many other courts across the country, including this Court.

With respect to cases filed under the PSLRA, notices of settlements must also state: (i) the amount of the settlement, determined in the aggregate and on an average per share basis; (ii) if the parties do not agree on the average amount of damages per share that would be recoverable in the event plaintiff prevailed, a statement from each party concerning the issue(s) on which the parties disagree; (iii) a statement of the amount of attorneys' fees and costs that will be sought (including the amount of such fees and costs determined on an average per share basis), and a brief explanation supporting the fees and costs sought; (iv) the name, telephone number, and address of one or more representatives of counsel for the plaintiff class who will be reasonably available to answer questions concerning any matter contained in the notice of settlement published or otherwise disseminated to the class; (v) a brief statement explaining the reasons why the parties are proposing the settlement; and (vi) such other information as may be required by the court. *See* 15 U.S.C. §78u-4(a)(7)(A)-(F). The Notice proposed here contains all of the information required by the PSLRA. *See* Notice, Exhibit A-1 to the Stipulation and proposed Preliminary Approval Order.

For all the foregoing reasons, Class Counsel respectfully submit that the Court should approve the form of notice.

V. PROPOSED SCHEDULE

If the Court grants preliminary approval of the proposed Settlement, the Parties respectfully submit the following procedural schedule for the Court's review:

Event	Time for Compliance
Deadline for commencing the mailing of the Notice and Proof of Claim to Class Members (the "Notice Date")	14 calendar days after entry of the Preliminary Approval Order
Deadline for publishing the Summary Notice in *The Wall Street Journal* and over a national newswire service	10 calendar days after the Notice Date
Posting and filing of motions in support of approval of the Settlement and Plan of Allocation, and in support of Class Counsel's application for an award of attorneys' fees and expenses	35 calendar days before the Settlement Hearing
Deadline for submitting objections and requests for exclusion	21 calendar days before the Settlement Hearing
Posting and filing of reply papers in further support of approval of the Settlement and Plan of Allocation, and in support of Class Counsel's application for an award of attorneys' fees and expenses	7 calendar days before the Settlement Hearing

Event	Time for Compliance
Settlement Hearing	Approximately 100 calendar days after the entry of the Preliminary Approval Order, at the Court's convenience
Deadline for submitting Proofs of Claim	100 calendar days after the Notice Date

VI. CONCLUSION

Based on the foregoing, Class Representatives respectfully request that the Court enter the Preliminary Approval Order in connection with the settlement proceedings, which will provide: (i) preliminary approval of the Settlement; (ii) approval of the form and manner of giving notice of the Settlement to the Class; and (iii) a hearing date and time to consider final approval of the Settlement and related matters.

Dated: June 21, 2017

Respectfully submitted,

By: /s/ *Jonathan Gardner*

Jonathan Gardner
jgardner@labaton.com
Christine Fox
cfox@labaton.com
LABATON SUCHAROW LLP
140 Broadway
New York, New York 10005
Telephone: (212) 907-0700
Facsimile: (212) 818-0477

Douglas R. Britton (*admitted pro hac vice*)
Ashley M. Price (*admitted pro hac vice*)
ROBBINS GELLER RUDMAN & DOWD LLP
655 West Broadway
Suite 1900
San Diego, CA 92101
Tel: (619) 231-1058
Fax: (619) 231-7243
Email: dbritton@rgrdlaw.com
aprice@rgrdlaw.com

Samuel H. Rudman
ROBBINS GELLER RUDMAN & DOWD LLP
58 South Service Road, Suite 200
Melville, NY 11747
Tel: (631) 367-7100
Fax: (631) 367-1173
Email: srudman@rgrdlaw.com

Class Counsel for Class Representatives and the Class

CERTIFICATE OF SERVICE

I hereby certify that on June 21, 2017, I caused the foregoing Class Representatives' Memorandum of Law In Support of Unopposed Motion for Preliminary Approval of Settlement to be served electronically through the Court's ECF system upon all ECF participants.

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/s/ Jonathan Gardner
JONATHAN GARDNER